



6450-01-P

DEPARTMENT OF ENERGY

Southwestern Power Administration

Continuation of Temporary Power Sales Program

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of Acceptance of New Applications Under Southwestern Power Administration's Temporary Power Sales Program.

SUMMARY: Southwestern Power Administration (Southwestern) is accepting new applications under its Temporary Power Sales Program. Electric utility organizations interested in participating in the Temporary Power Sales Program should notify Southwestern of their interest by providing the information requested in the enclosed Resource Data Form B-2 and/or Resource Data Form L-2 to Southwestern.

DATES: Completed forms (Resource Data Form B-2 and/or Resource Data Form L-2) will be accepted beginning on **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** and ending on **[INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Completed forms and any questions or comments should be submitted to Ms. Fritha Ohlson, Senior Vice President/COO, Southwestern Power Administration, U.S. Department of Energy, 1 W 3rd St, Suite 1600, Tulsa, Oklahoma 74103.

FOR FURTHER INFORMATION CONTACT: Ms. Fritha Ohlson, Senior Vice President/COO, 918-595-6684, fritha.ohlson@swpa.gov, facsimile transmission 918-595-6656.

SUPPLEMENTARY INFORMATION: Southwestern markets Federal hydroelectric power and energy from projects constructed and operated by the U.S. Army Corps of Engineers located

in the states of Arkansas, Missouri, Oklahoma, and Texas, under the provisions of Section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as amended, in an area which includes the previously-mentioned states plus Kansas and Louisiana.

By *Federal Register* notice dated June 18, 1987 (52 FR 23206) (1987 FRN), Southwestern implemented the Temporary Power Sales Program, wherein an existing Southwestern customer can make all or a portion of its allocated Federal hydroelectric power and energy from Southwestern (allocation) available to Southwestern for temporary sale to others in the following priority: (1) public body and cooperative electric utility systems that are present or potential customers (including joint action agencies and any other public body and/or cooperative electric utility organizations that may be able to distribute the benefits of Federal hydroelectric power and energy to said public body and cooperative electric utility systems), and (2) electric utilities other than public body and/or cooperative electric utility systems to be selected if no public body and cooperative electric utility systems are available to purchase such Federal hydroelectric power and energy. Entities participating in the program are referred to as “loaners” and “borrowers.”

Southwestern followed up on the Temporary Power Sales Program with a letter sent to its customers October 14, 1988 (October 1988 letter). The October 1988 letter solicited additional interest in the Temporary Power Sales Program and stated Southwestern’s intention of maintaining electric utility data on a biennial basis, with the lists of loaners and borrowers to be renewed every two years. To date, Southwestern has reviewed the program three times: in 1989, in 1992, and in 2019.

The first two reviews of the program yielded no change to the lists of loaners and borrowers. The latest review in 2019 resulted in the deletion of participants whose applications

had expired based on the “Stop Borrowing” date in the Resource Data Form, leaving six participants still active in the program.

The 2019 review was initiated after Southwestern received an offer of a loan under the Temporary Power Sales Program from Southwestern’s customers which receive the output of the Robert D. Willis Hydropower Project (Willis), located in southeast Texas. These customers offered all capacity and energy from Willis for loan to others for a duration to be determined. Operating characteristics of Willis are enclosed for reference.

In response to the loan offer, Southwestern notified the six remaining participants in the program and solicited their interest in the output of Willis. All six participants expressed their interest in staying in the program, but none were interested in the output of Willis.

Southwestern has been notified recently that two other customers are interested in making all or a portion of their respective allocations available to Southwestern for sale under the Temporary Power Sales Program.

Based on the potential Willis loan and the potential loan from these two other customers, Southwestern estimates that there may be up to 10 megawatts (MW) of Federal hydroelectric power and associated energy available for sale under one or more of Southwestern’s rate schedules governing the sale and purchase of Federal hydroelectric power and energy. After the close of this request for applications to the Temporary Power Sales Program, Southwestern will have more certain information on the allocations available for sale under the Temporary Power Sales Program.

Southwestern intends to use the procedure described in the 1987 FRN to implement the acceptance of new applications under the Temporary Power Sales Program, wherein the selection of loaners and borrowers is based on data provided by the participants. The selection

process may generate a new list of applicants under the program. The six entities currently considered to be active in the program will be allowed to remain in the program with their original chronological receipt dates until the earlier of (1) the date an entity submits a new application; or (2) the date of the next biennial review.

Interested parties are requested to complete Resource Data Forms containing information pertinent to the Temporary Power Sales Program. The Resource Data Forms will be accepted during the period specified in this *Federal Register* Notice (see **DATES**). Resource Data Forms received after that period will be accepted for chronological receipt date purposes but may not be considered for participation in the program until such time as Southwestern conducts another review of the Temporary Power Sales Program, tentatively scheduled for 2021.

Submission of Resource Data Forms in no way obligates an applicant to loan or borrow under the Temporary Power Sales Program. If a match is identified, Southwestern will work with the loaner and borrower to document the sale. Conversely, submission of Resource Data Forms in no way obligates Southwestern to make any sales under the Temporary Power Sales Program. Such sales will be made at the sole discretion of Southwestern.

Southwestern will analyze the information provided and, at its discretion, will match loaners and borrowers per the criteria identified herein. Only in the event that more than one loaner or borrower is available for the same temporary sale will a decision be made based on the chronological receipt of Resource Data Forms, including those still active under the original 1987 FRN or the October 1988 letter.

Allocations made available to Southwestern under the Temporary Power Sales Program will be sold on a temporary basis, and for an initial period of not less than one (1) year, provided

the selected borrower or borrowers have, or must be able to arrange, the transmission rights to receive such Federal hydroelectric power and energy.

Therefore, in accordance with the priority expressed herein, Southwestern is hereby issuing this “Notice of Acceptance of New Applications Under Southwestern Power Administration’s Temporary Power Sales Program.”

Electric utility organizations interested in participating in the Temporary Power Sales Program should notify Southwestern of their interest by providing the information requested in the enclosed Resource Data Form B-2 and/or Resource Data Form L-2 to Southwestern (see **DATES**). To assist Southwestern in best matching loaners and borrowers, applicants are encouraged to use the “Additional information” section at the bottom of the forms to describe specific resources they want to borrow or loan. Fillable versions of these forms will also be made available on Southwestern’s internet site at <https://www.swpa.gov>.

Based on the responses received, Southwestern, at its sole discretion, may elect to hold one or more public meetings to afford all responders equal opportunity to have their responses addressed.

Dated: October 10, 2019.

Mike Wech
Administrator

Southwestern Power Administration (SWPA)
Hydroelectric Power Borrowing Program
Resource Data Form B-2

Name of Utility System _____

Address _____

Utility Manager _____

Telephone Number _____

1. Is your utility interested now, or in the near future, in borrowing Federal hydroelectric power that is available for loan on a temporary basis for distribution by SWPA?

Federal Capacity
Only

☐ Yes ☐ No

Federal Energy
Only

☐ Yes ☐ No

Both Federal Capacity
and Federal Energy

☐ Yes ☐ No

2. If yes, please indicate the quantities and types of Federal hydroelectric power your utility would be interested in borrowing and the desired time frames.

Federal
Capacity Only
kW

Federal
Energy Only
kWh

Both Federal
Capacity and Energy
kW kWh

Quantity _____

Start Borrowing (Day, Month, Year) _____

Stop Borrowing (Day, Month, Year) _____

Additional information (optional): _____

3. Does your utility have the transmission rights or is your utility able to arrange the transmission rights to receive Federal hydroelectric power from SWPA?

☐ Yes ☐ No

If yes, describe the transmission rights in detail. _____

Southwestern Power Administration (SWPA)
Hydroelectric Power Loaning Program
Resource Data Form L-2

Name of Utility System _____

Address _____

Utility Manager _____

Telephone Number _____

1. Does your utility presently have, or expect to have in the near future, Federal hydroelectric power that is available for loan on a temporary basis for distribution by SWPA?

Federal Capacity
Only

[] Yes [] No

Federal Energy
Only

[] Yes [] No

Both Federal Capacity
and Federal Energy

[] Yes [] No

2. If yes, please indicate the quantities and types of Federal hydroelectric power your utility is willing to loan and the time frames available.

Federal
Capacity Only
kW

Quantity _____

Federal
Energy Only
kWh

Both Federal
Capacity and Energy
kW kWh

Begin Loan (Day, Month, Year) _____

End Loan (Day, Month, Year) _____

Additional information (optional): _____

Robert D. Willis Hydropower Project Characteristics:

Capacity and Sales Information

Capacity: 7.4 Megawatts (MW)

Annual Power Sales Rate (includes capacity and energy costs): \$1,282,836/year¹

Monthly Power Sales Rate (includes capacity and energy costs): \$106,903/month¹

Energy Information

Based on the historical² actual average annual energy of 25,278 Megawatt-hours (MWh) (3,349 hours), the composite cost is \$50.75/MWh.

Based on the historical² actual maximum annual energy of 40,097 MWh (5,455 hours), the composite cost is \$31.99/MWh.

Based on the historical² actual minimum annual energy of 0 MWh (0 hours), the composite cost is \$1,282,839 for no MWh.

Based on the estimated³ annual energy of 37,260 MWh (5,069 hours), the composite cost is \$34.43/MWh.

Other Information

The Robert D. Willis Hydropower Project has had operational challenges for the past 10 years. Approximately \$7,090,000 of capital equipment repair and replacement, already included in the power sales rate listed above, needs to be undertaken to correct many of the challenges experienced at the project. It is estimated that this work will take a minimum of three years to complete.

¹ Under rate schedule RDW-15, currently in-effect through September 30, 2021

² Historical period is calendar years 1990-2018

³ Estimated annual energy is from a USACE planning study prior to project construction

The point of delivery for the Robert D. Willis Hydropower Project is at the Robert D. Willis Hydropower Project switchyard, which is interconnected to the electric grid by a distribution system owned by Jasper-Newton Electric Cooperative. A separate agreement with Jasper-Newton Electric Cooperative may be required to transmit the power and associated energy from the Robert D. Willis Hydropower Project to the Mid-Continent Independent System Operator (MISO).

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